

Fiscal Year Ended March 2020 Full Year Results Appendix

May 13, 2020

[Disclaimer]

The contents of this material and comments made during the questions and answers etc. of this briefing session are the judgment and projections of the Company's managements based on currently available information.

These contents involve risk and uncertainty and the actual results may differ materially from these contents/comments.

2020/3 Results

Consolidated Business

- ◆ Both sales and profit increased YoY.
 - ✓ Unit sales of Pachislot increased in Pachislot and Pachinko Machines Business.
 - ✓ Strong performance in Digital Games area.
 - ✓ Deferred tax assets decreased due to the impact of the spread of COVID-19, and tax expenses increased by approx. 7 billion yen.

Pachislot and Pachinko Machines Business

- ◆ Both sales and profit increased YoY.
- ◆ Adjusted release timing for several titles in response to approval status of prototype testing and etc.
- ◆ Profitability improved due to the measures to improve profitability, such as reuse.
 - ✓ Pachislot: Unit sales increased mainly due to launch of mainstay titles such as "Pachislot Hokuto No Ken Tenshou" and others.
 - ✓ Pachinko: The number of unit sales decreased.

Entertainment Contents Business

- ◆ Both sales and profits increased YoY.
 - ✓ Revenue in Digital Games area contributed the whole segment.
 - ✓ Significant increase in the sales of Packaged Games area.

Resort Business

- ◆ Sales remained at the same level YoY while the scale of losses expanded.
- ◆ Expenses increased in associated with the enhancement of measures towards domestic Integrated Resort (IR).

[Response of the Company]

- ✓ Employees to work from home
 - From end of February - work from home in principle; from April 8 - suspension of going to the office in principle; from May 11 to 31 - work from home in principle (Headquarter at Osaka)

[Impact on the results for fiscal year ended Mar 2020]

- ✓ Growth in download sales overseas (Packaged Games)
- ✓ Temporary closure of facilities business
 - Amusement Center Operations: From March - at some stores (from April 8 - at stores in areas where self-restraint on going outside is applied; from April 17 to May 7- at stores nationwide)
 - Phoenix Seagaia Resort: From March - in some facilities (from May 7 - at whole facilities)
 - PARADICE CITY (South Korea): From March 2 to May 2 - in some facilities; from March 24 to Apr 20 - in casino section
- ✓ Group-wide
 - Tax expenses increased by approx. 7 billion yen accompanying with the reversal of deferred tax assets.
 - Reconsidering the business plan for fiscal year ending Mar 2021 and the next mid-term management plan and postpone the announcement of them.

Consolidated Income Statements (Summary)

(JPY Billion)		2019/3				2020/3			
		1Q	Through 2Q	Through 3Q	Through 4Q	1Q	Through 2Q	Through 3Q	Through 4Q
Sales		68.8	171.0	250.3	331.6	72.7	165.5	280.8	366.5
Pachislot and Pachinko Machines		21.5	58.6	76.1	101.4	17.1	44.1	86.2	108.3
Entertainment Contents		45.0	107.2	166.2	219.6	53.0	115.8	186.2	247.7
Resort		2.3	5.1	7.9	10.5	2.4	5.5	8.2	10.4
Operating Income		0.9	10.2	11.9	13.0	3.4	14.6	28.0	27.6
Pachislot and Pachinko Machines		1.7	9.6	9.6	13.4	1.3	7.8	20.7	24.9
Entertainment Contents		1.6	6.1	10.6	9.8	4.9	12.7	16.1	14.8
Resort		-0.6	-1.1	-1.9	-2.4	-0.8	-1.5	-2.3	-3.6
Other / Elimination		-1.8	-4.4	-6.4	-7.8	-2.0	-4.4	-6.5	-8.4
Operating Income Margin		1.3%	6.0%	4.8%	3.9%	4.7%	8.8%	10.0%	7.5%
Non-operating income		0.7	1.3	1.5	2.1	0.8	1.3	1.8	3.2
Non-operating expenses		0.9	2.3	4.4	7.7	1.9	3.3	4.0	5.5
Ordinary Income		0.6	9.1	9.0	7.4	2.3	12.6	25.8	25.2
Extraordinary income		0.0	1.7	1.7	8.2	0.0	0.0	3.0	3.1
Extraordinary losses		0.0	0.2	6.7	8.7	0.1	0.1	0.5	1.2
Income before income taxes		0.7	10.6	4.0	6.9	2.2	12.5	28.3	27.1
Profit attributable to owners of parent		0.3	6.7	0.6	2.6	1.7	9.8	22.9	13.7
ROA(%)		-	-	-	0.6	-	-	-	3.0
ROE(%)		-	-	-	0.9	-	-	-	4.6
Dividends per share (JPY)		-	20.00	20.00	40.00	-	20.00	20.00	40.00
Earnings per share (JPY)		1.44	28.60	2.90	11.27	7.32	42.05	97.92	58.65
Net Assets per share (JPY)		1,296.55	1,328.00	1,274.50	1,289.32	1,259.70	1,276.36	1,318.14	1,251.02

Costs and Expenses

(JPY Billion)	2019/3				2020/3			
	1Q	Through 2Q	Through 3Q	Through 4Q	1Q	Through 2Q	Through 3Q	Through 4Q
R&D Expense / Content	14.1	30.8	48.3	66.6	17.1	33.5	56.4	76.5
Production Expense								
Pachislot and Pachinko Machines	3.5	7.8	12.1	17.0	4.1	8.6	13.7	17.4
Entertainment Contents	10.6	23.2	36.4	49.9	13.0	25.0	42.8	59.4
Resort	0.0	0.1	0.1	0.2	0.0	0.0	0.1	0.1
Other / Elimination	0.0	-0.3	-0.3	-0.5	0.0	-0.1	-0.2	-0.4
Cap-ex	6.4	17.8	24.3	34.4	5.1	10.5	16.1	22.8
Pachislot and Pachinko Machines	0.8	3.0	3.7	5.0	0.9	1.8	2.5	3.4
Entertainment Contents	4.2	10.7	16.1	25.0	4.0	8.3	12.9	18.2
Resort	0.0	0.0	0.1	0.1	0.0	0.1	0.1	0.2
Other / Elimination	1.4	4.1	4.4	4.3	0.2	0.3	0.6	1.0
Depreciation	3.9	7.4	10.8	14.5	3.6	7.3	10.9	14.8
Pachislot and Pachinko Machines	1.1	2.1	3.0	4.0	1.0	1.9	2.8	3.6
Entertainment Contents	2.3	4.3	6.4	8.6	2.1	4.2	6.4	8.9
Resort	0.2	0.4	0.6	0.8	0.2	0.5	0.8	1.1
Other / Elimination	0.3	0.6	0.8	1.1	0.3	0.7	0.9	1.2
Advertising	3.3	8.4	12.2	16.0	3.6	8.5	12.9	17.4
Pachislot and Pachinko Machines	0.4	0.9	1.3	1.6	0.2	0.8	1.1	1.5
Entertainment Contents	2.6	6.3	9.3	12.5	3.0	6.4	10.2	14.1
Resort	0.0	0.1	0.2	0.3	0.1	0.2	0.3	0.4
Other / Elimination	0.3	1.1	1.4	1.6	0.3	1.1	1.3	1.4

Consolidated Balance Sheet (Summary)

(JPY billion)				[Liabilities and Net Assets]			
[Assets]							
Account	As of end of March 2019	As of end of March 2020	Change	Account	As of end of March 2019	As of end of March 2020	Change
Cash and Deposits	137.4	159.0	+21.6	Accounts Payable	24.7	17.8	-6.9
Accounts Receivable	39.2	40.4	+1.2	Corporate Bonds	12.5	10.0	-2.5
Short term investment securities	14.5	5.3	-9.2	Short Term Loans Payable	13.3	13.3	-
Inventories	50.0	47.0	-3.0	Other	37.0	45.0	+8.0
Other	19.3	17.2	-2.1	Total Current Liabilities	87.5	86.1	-1.4
Total Current Assets	260.4	268.9	+8.5	Corporate Bonds	10.0	10.0	-
Tangible Fixed Assets	84.0	86.6	+2.6	Long Term Loans Payable	40.3	42.0	+1.7
Intangible Fixed Assets	15.2	17.9	+2.7	Other	21.4	23.2	+1.8
Investment Securities	73.4	55.0	-18.4	Total Noncurrent Liabilities	71.7	75.2	+3.5
Other	31.5	29.7	-1.8	Total Liabilities	159.3	161.4	+2.1
				Shareholders Equity	294.8	301.2	+6.4
				Total accumulated other comprehensive income	7.8	-7.1	-14.9
				Warrants	0.9	0.8	-0.1
				Non-controlling intesrests	1.7	1.9	+0.2
Total Noncurrent Assets	204.1	189.2	-14.9	Total Net Assets	305.3	296.8	-8.5
Total Assets	464.6	458.2	-6.4	Total Liabilities and Net Assets	464.6	458.2	-6.4

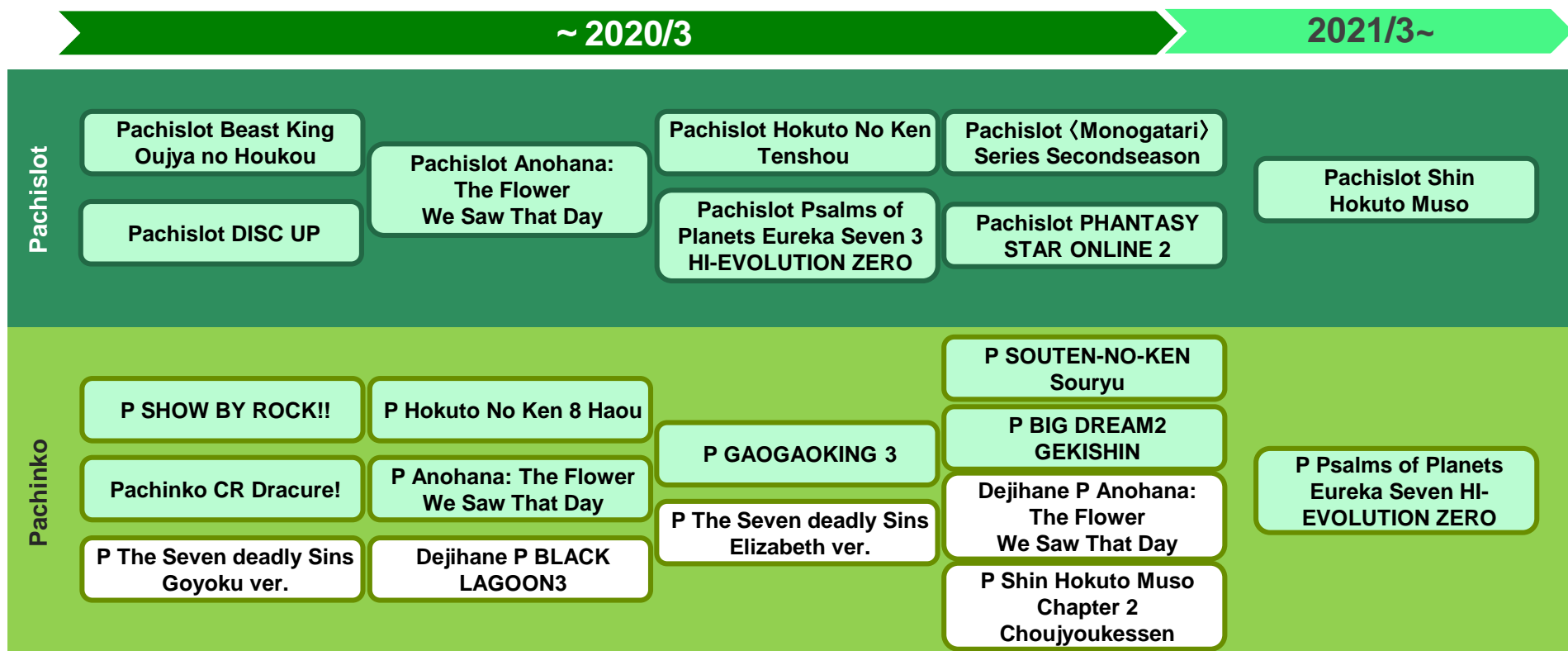
Segment Results: Pachislot and Pachinko Machines

(JPY Billion)		2019/3				2020/3			
	1Q	Through 2Q	Through 3Q	Through 4Q		1Q	Through 2Q	Through 3Q	Through 4Q
Sales	21.5	58.6	76.1	101.4		17.1	44.1	86.2	108.3
Pachislot	3.1	4.5	11.0	24.7		7.0	11.1	46.2	54.1
Pachinko	13.9	45.8	52.3	59.9		5.5	23.8	26.8	37.4
Other / Elimination	4.5	8.3	12.8	16.8		4.6	9.2	13.2	16.8
Operating Income	1.7	9.6	9.6	13.4		1.3	7.8	20.7	24.9
Operating Income Margin	7.9%	16.4%	12.6%	13.2%		7.6%	17.7%	24.0%	23.0%
Pachislot									
Number of Titles	1 title	1 title	3 titles	6 titles		0 title	1 title	3 titles	5 titles
Unit Sales (units)	9,073	12,853	31,534	67,140		17,930	28,360	105,860	123,336
Pachinko									
Number of Titles	1 title	3 titles	5 titles	7 titles		2 titles	4 titles	5 titles	7 titles
Unit Sales (units)	40,997	117,891	136,670	159,848		16,212	66,140	75,094	104,581
Board + Frame	13,908	77,518	87,468	91,858		8,020	15,850	18,878	33,056
Board	27,089	40,373	49,202	67,990		8,192	50,290	56,216	71,525

Segment Results: Pachislot and Pachinko Machines

■ Major Titles launched in 2020/3 and titles to be launched in 2021/3

New title
Specification changed title



2020/3 Major titles and number of units sold

Pachislot title	Total sales	Installed from
Pachislot Hokuto No Ken Tenshou	59,872 units	2019/11
Pachislot Psalms of Planets Eureka Seven 3 HI-EVOLUTION ZERO	21,205 units	2019/12
Pachislot <Monogatari> Series Secondseason	13,418 units	2020/3

Pachinko title	Total sales	Installed from
P Hokuto No Ken 8 Haou	32,396 units	2019/9
P Anohana: The Flower We Saw That Day	17,979 units	2019/8
P BIG DREAM2 GEKISHIN	14,941 units	2020/1

Segment Results: Entertainment Contents Business

(JPY Billion)								
	2019/3				2020/3			
	1Q	Through 2Q	Through 3Q	Through 4Q	1Q	Through 2Q	Through 3Q	Through 4Q
Sales	45.0	107.2	166.2	219.6	53.0	115.8	186.2	247.7
Digital Games	9.0	19.3	29.4	40.8	11.9	23.6	34.9	47.2
Packaged Games	12.3	26.7	43.7	54.6	14.7	32.1	55.2	78.2
Amusement Machine Sales	9.6	28.3	40.9	54.7	10.1	24.7	41.2	51.1
Amusement Center Operations	9.4	20.7	30.7	40.9	10.4	22.0	32.2	41.9
Animation / Toy	3.6	10.2	18.3	24.5	5.0	11.7	20.3	26.2
Other / Elimination	1.1	2.0	3.2	4.1	0.9	1.7	2.4	3.1
Operating Income	1.6	6.1	10.6	9.8	4.9	12.7	16.1	14.8
Digital Games	-0.4	-1.4	-2.7	-1.9	2.3	5.6	7.5	9.8
Packaged Games	2.6	4.4	8.1	8.2	2.9	4.0	4.6	4.8
Amusement Machine Sales	0.2	2.3	3.0	1.5	-0.7	0.2	0.3	-2.3
Amusement Center Operations	0.5	1.9	2.2	2.6	0.7	1.9	1.7	1.4
Animation / Toy	-0.3	0.9	2.1	2.5	0.3	1.7	2.9	2.7
Other / Elimination	-1.0	-2.0	-2.1	-3.1	-0.6	-0.7	-0.9	-1.6
Operating Income Margin	3.6%	5.7%	6.4%	4.5%	9.2%	11.0%	8.6%	6.0%
No. of domestic amusement centers	189	189	191	190	191	192	195	192
YoY sales rate comparison of existing amusement centers	104.2%	104.5%	104.2%	104.0%	109.0%	103.6%	100.7%	97.7%

Segment Results: Entertainment Contents Business

Major Index / Digital Games (Digital Overall)

	2019/3				2020/3			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Sales (JPY Billion)	9.0	10.3	10.1	11.4	11.9	11.7	11.3	12.2
Domestic								
Average MAU (Thousands, 3 months average)*1	6,880	5,420	4,690	7,900	5,940	5,750	4,980	5,670
ARPMU (JPY) *2	1,123	1,507	1,581	1,029	1,423	1,297	1,629	1,318
Share of sales for top 3 titles *3	46.2%	43.1%	38.1%	41.7%	32.4%	30.7%	31.5%	30.2%
Overseas								
Composition ratio of sales	9.4%	13.5%	14.3%	9.7%	6.6%	5.1%	16.1%	14.0%
Other indicators								
Number of Titles (Domestic)	25	24	25	23	20	21	20	19
Number of New Titles (Domestic)	3	1	2	2	1	3	0	0
Ratio of advertising expense to net sales *4	11.7%	10.4%	9.1%	9.3%	6.9%	5.9%	7.0%	6.3%

TOP 3 Titles (Digital Game)

Title name	Release
1. PHANTASY STAR ONLINE 2	2012/7
2. Fist of the North Star LEGENDS ReVIVE	2019/9
3. SHIN MEGAMI TENSEI Liberation Dx2	2018/1

*Top three titles in domestic sales in the period of Jan-Mar 2020

*Changed the aggregation method for overseas' composition ratio of sales from fiscal year ending Mar 2020 and it has been reflected to the result of fiscal year ended Mar 2019 retroactively.

*Only free-to-play titles are covered for the calculation of number of titles under service, Domestic MAU, Domestic ARP MAU and number of downloads. (Pay-to-play models are not included.)

*1. Average MAU (Monthly Active Users) over 3 months

*2. Calculated from dividing sales by MAU (Monthly Active Users)

*3. Sales percentage for top 3 titles in sales

*4. Advertising expense percentage for total digital sales of each quarter

Segment Results: Entertainment Contents Business

	2019/3				2020/3			
	1Q	Through 2Q	Through 3Q	Through 4Q	1Q	Through 2Q	Through 3Q	Through 4Q
Packaged Games: Number of Titles	5 titles	18 titles	26 titles	31 titles	8 titles	12 titles	22 titles	31 titles
Japan	2 titles	3 titles	5 titles	7 titles	1 title	2 titles	7 titles	10 titles
Asia	-	3 titles	6 titles	7 titles	3 titles	4 titles	7 titles	12 titles
North America / Europe	3 titles	12 titles	15 titles	17 titles	4 titles	6 titles	8 titles	9 titles
Packaged Games: Sales in Units (Thousands)	5,700	11,180	18,510	23,440	6,240	11,370	19,330	26,760
Japan	280	640	1,460	1,850	270	610	1,760	2,790
New titles	120	230	660	830	20	110	1,110	1,950
Repeat titles	160	410	800	1,020	250	490	650	840
Asia	120	370	590	770	240	420	680	1,360
New titles	-	30	150	190	130	190	370	830
Repeat titles	120	340	440	580	110	220	310	520
North America / Europe	5,300	10,170	16,460	20,820	5,730	10,330	16,880	22,600
New titles	730	1,620	2,610	3,070	2,150	3,240	5,460	7,610
Repeat titles	4,570	8,550	13,850	17,750	3,580	7,090	11,420	14,980
Total New titles	850	1,880	3,420	4,090	2,300	3,560	6,940	10,400
Total Repeat titles	4,850	9,300	15,090	19,350	3,940	7,810	12,390	16,360

2020/3 Major Titles

4Q titles

Release

Platform

Launched region

Ryu ga Gotoku 7

2020/1

PlayStation®4

Japan / Asia

Persona 5 Scramble: The Phantom Strikers

2020/2

PlayStation®4 / Nintendo Switch™

Japan

Repeat titles

Platform

Launched region

Total War series

PC

Japan / Asia / North America / Europe

Yakuza series

PlayStation®4 / PC / Xbox One

Japan / Asia / North America / Europe

Football Manager series

PC

Japan / Asia / North America / Europe

■Major Titles in 2020/3 and titles to be launched in and after 2021/3

		~ 2020/3	2021/3~
Digital Games	Existing titles	<div>PHANTASY STAR ONLINE 2 (2012/7~)</div> <div>Puyo puyo!! Quest (2013/4~)</div> <div>CHAIN CHRONICLE 3 (2013/7~)</div> <div>Hortensia Saga (2015/4~)</div> <div>Magia Record : Puella Magi Madoka Magica Side Story (2017/8~)</div> <div>SHIN MEGAMI TENSEI Liberation Dx2 (2018/1~)</div> <div>SEGA Pocket Club Manager (2018/4~)</div> <div>Ryu ga Gotoku ONLINE (2018/11~)</div> <div>IDOLA PHANTASY STAR SAGA (2018/11~)</div> <div>Fist of the North Star LEGENDS ReVIVE (2019/9 ~)</div> <div>Kemono Friends 3 (2019/9 ~)</div>	
	New titles		<div>PHANTASY STAR ONLINE 2 (North American version) *Full service launched in April 14, 2020</div> <div>Sonic at the Olympic Games –Tokyo 2020™ *Release in May 8, 2020</div> <div>Project SEKAI COLORFUL STAGE feat. Hatsune Miku</div> <div>Re:ZERO -Starting Life in Another World- Lost in Memories</div>

■Major Titles in 2020/3 and titles to be launched in and after 2021/3

	~ 2020/3			2021/3 ~
Packaged Games	Total War: THREE KINGDOMS	PERSONA 5 ROYAL	Ryu ga Gotoku 7	Total War Saga: TROY
	Team Sonic Racing	New Sakura Wars	Persona 5 Scramble: The Phantom Strikers	HUMANKIND™
	Mario & Sonic at the Olympic Games Tokyo 2020	Football Manager 2020		
Amusement Machine Sales	< Existing titles > KanColle Arcade / StarHorse Series / Fate/Grand Order Arcade /WCCF FOOTISTA 2019			
	maimai Series / O · N · G · E · K · I / CHUNITHM Series			
	CHUNITHM AMAZON PLUS	maimai DELUX	MARIO & SONIC AT THE OLYMPIC GAMES TOKYO 2020 ARCADE EDITION	
	Kemono Friends 3 Planet Tours	StarHorse4		
Animation /Toys	Detective Conan The Fist of Blue Sapphire	SOREIKE! ANPANMAN: Twinkle! Princess Vanilla of Ice Cream Land	LUPIN THE 3rd THE FIRST	Detective Conan The Scarlet Bullet
	Wonderful Channel	Fun to change mouse covers! Sumikkogurashi Personal Computer	DETECTIVE CONAN PAD	SOREIKE! ANPANMAN: FUWAFUWA FUWARI TO KUMONOKUNI (Working Title)
Others				Sonic The Hedgehog

Segment Results: Resort Business

(JPY Billion)	2019/3				2020/3			
	1Q	Through 2Q	Through 3Q	Through 4Q	1Q	Through 2Q	Through 3Q	Through 4Q
Sales	2.3	5.1	7.9	10.5	2.4	5.5	8.2	10.4
Operating Income	-0.6	-1.1	-1.9	-2.4	-0.8	-1.5	-2.3	-3.6

<PHOENIX RESORT>

Sales	2.1	4.7	7.4	10.0	2.2	5.0	7.7	9.9
Operating Income	-0.2	-0.2	-0.2	-0.0	-0.1	-0.1	-0.0	-0.2
No. of facility users (Thousands)	168	418	608	812	189	454	658	839
3 accommodation facilities	67	181	266	357	75	194	283	359
2 golf courses	24	45	69	94	25	46	70	92
Other facilities	77	192	273	361	89	214	305	388

<PARADISE SEGASAMMY*>

	2019/3				2020/3			
	1Q	Through 2Q	Through 3Q	Through 4Q	1Q	Through 2Q	Through 3Q	Through 4Q
Sales (Billion KRW)	65	129	213	301	90	196	331	463
Operating Income (Billion KRW)*	0	-1	0	-20	-7	-12	12	19
Number of casino visitors (Thousands)	57	128	207	295	82	181	286	382

* PARADISE SEGASAMMY Co., Ltd. is an equity method affiliate

* Figures for PARADISE SEGASAMMY Co., Ltd. are recorded with three months delay

* Local accounting standards

Segment Results: Resort Business (Phoenix Seagaia Resort)



■Exterior



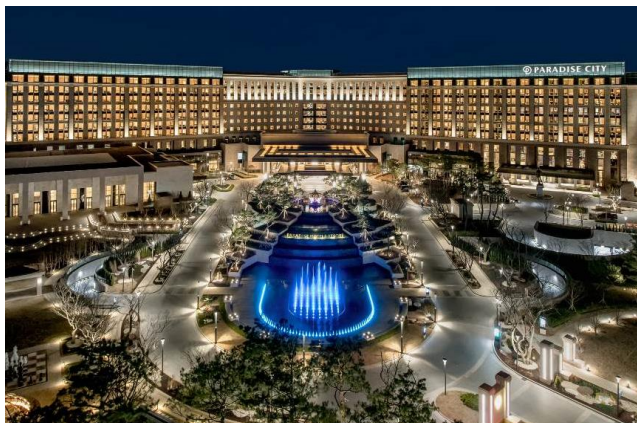
■Golf Course



■Convention Center

<Overview>

Facility name	Phoenix Seagaia Resort	
Operating company	Phoenix Resort Co., Ltd.	
Facility address	3083 Aza Hamayama, O-Aza Shioji, Miyazaki City, Miyazaki Prefecture	
Access	<ul style="list-style-type: none"> ■Miyazaki Airport 20-minute by car ■JR Miyazaki train station Approx. 25-minute by public bus(chargeable) 15-minute by car ■Express way Approx. 25-minute drive from Miyazaki Interchange 	
Number of employees	754 (as of March 31 2020 (including, concurrent officers, full-time employees, seconded employees, contract employees and part-time employees))	
Site area	2,511,144m ²	
Facility composition	Hotel	950 rooms (Sheraton Grande Ocean Resort, Luxze Hitotsuba and Cottage HIMUKA)
	Golf Courses	45 holes (Phoenix Country Club, Tom Watson Golf Course), Phoenix Golf Academy
	Convention Center	Approx. 5,500 m ² (capacity for approx. 5,000 people)
	Other Entertainment Facilities etc.	Spa, hot springs, fitness club, horse riding club, tennis court and wedding halls



■Exterior

■Casino facility

■Lobby lounge (Hotel)

<Overview>

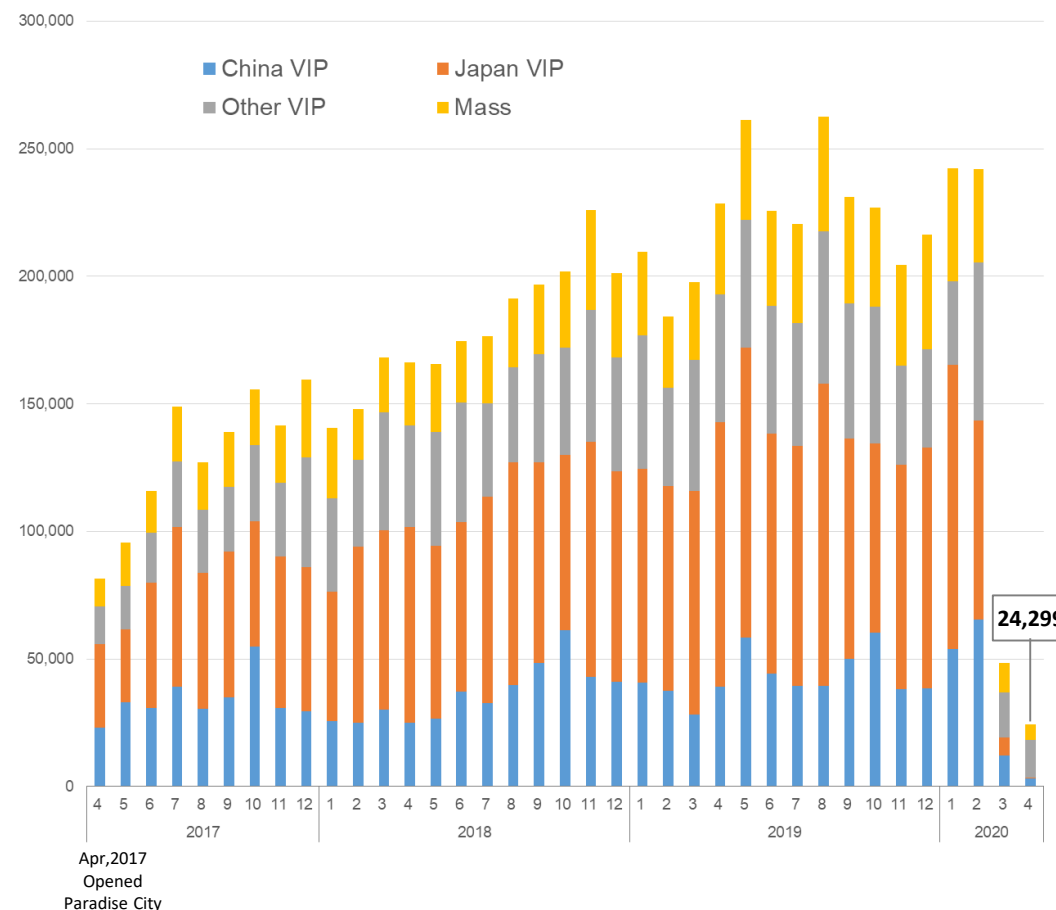
Facility name	PARADISE CITY
Operating company	PARADISE SEGASAMMY Co.,Ltd.
Facility address	186, Yeongjonghaeannam-ro 321-gil, Jung-gu, Incheon, Republic of Korea
Access to PARADISE CITY	<ul style="list-style-type: none"> ■3-minute drive by car or shuttle bus (free of charge) 5-minute ride on linear monorail (free of charge) and 15-minute walk from Incheon International Airport ■Also a 5-minute drive from Incheon Interchange on the expressway
Number of employees	2,512(as of March 31, 2020) (including, concurrent officers, full-time employees, seconded employees, contract employees and part-time employees)
Site area	330,000m ²
Investment amount	Approx. 1,567.5 billion KRW (amount invested by SEGA SAMMY: 331.9 billion KRW; shareholding ratio: 45%)
Facility composition	<ul style="list-style-type: none"> • Casino (table games: 158 units, electronic table games: 4 units 62 seats, slot machines: 291 units) • Hotel (711 rooms; additional facilities: restaurant, banquet hall, indoor and outdoor pools, etc.) • Convention • SPA • CLUB • Boutique Hotel (58 rooms) • PLAZA (Commercial facility / cultural center, shopping mall) • WONDER BOX (for families)

PARADISE SEGASAMMY (Equity method affiliate)

Transition of Drop amount* at Paradise City

*Drop amount: Purchased amount of chips by customers at the table

(KRW Millions)



(KRW Billion)

		FY2019 4Q Results	FY2020 4Q Results
Sales		301.6	463.3
	Casino	248.6	375.6
	Hotel	50.3	69.2
	Other	2.8	18.5
Cost of sales		284.4	391.2
	Casino	161.4	210.5
	Hotel	99.2	118.3
	Other	23.9	62.5
Gross profit		17.2	72.1
SG&A		38.0	52.2
Operating profit		-20.8	19.9
EBITDA		20.0	84.3
Net profit		-53.0	-22.5
Source: Paradise IR			
SEGASAMMY			
Equity method acquisition amount (Billion yen)		-3.1	-1.6

* PARADISE SEGASAMMY Co., Ltd. is an equity method affiliate of SEGA SAMMY HOLDINGS INC.

* Figures for PARADISE SEGASAMMY Co., Ltd. are recorded with three months delay

Casino facility		Upper limit for square measures of gaming areas within casino facility is 3% of the total floor area of IR facilities
Facility No.1:	International convention and conference facilities	Capacity of the largest international convention and conference room must be more than 1,000 people. Total capacity of whole international convention and conference facilities must be more than twice of the capacity of the largest international convention and conference room.
Facility No.2:	Exhibition facilities	<p>Square measures of exhibition facilities must meet the standards according to the below tier based on capacity of the largest international convention and conference room.</p> <p>(Capacity of the largest international convention and conference room)</p> <ul style="list-style-type: none">• More than 1,000 and less than 3,000 people ⇔ Total floor area of exhibition facilities: more than 120K m²• More than 3,000 and less than 6,000 people ⇔ Total floor area of exhibition facilities: more than 60K m²• More than 6,000 people ⇔ Total floor area of exhibition facilities: more than 20K m²
Facility No.3:	Facilities enhancing the attractiveness of tourism	Theater, entertainment hall, concert hall, stadium, cinema, museum, gallery, restaurant and other facilities that contribute enhancing the attractiveness of Japanese tourism
Facility No.4:	Facilities with customer transfer functions	Facilities satisfying below 4 conditions 1) showcase function, 2) concierge function, 3) multilingual support function, 4) sufficient facility scale
Facility No.5:	Accommodation facilities	Total square measures for floor area of all guest rooms must be more than 100K m² and facilities must have suite rooms with appropriate square measures and certain ratio of suite rooms.
Facility No. 6	Other facilities	Facility contributing to the promotion of visit and stay of domestic and inbound tourists
Other: Restriction of casino ads		Can applies only to places where foreign travelers can stay until they complete immigration procedures at airports operating international flights and passenger terminals of ports where foreign cruise ships are in service
Other: Transaction subject to report		Cash transactions exceeding 1 million yen between casino business operators and customers

< APPENDIX : Overview of revision to the rules >

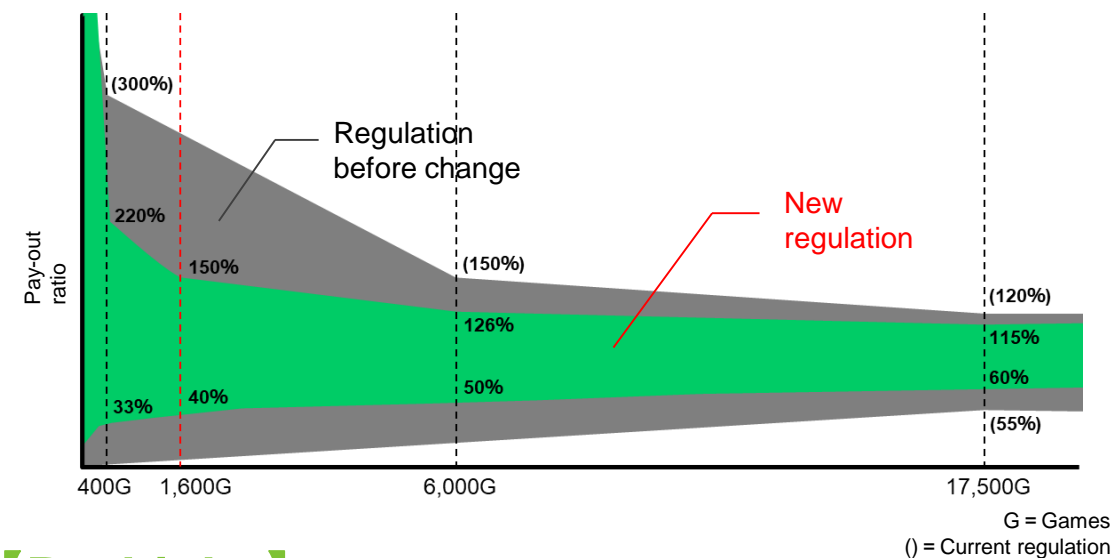
Date of enforcement	February 1, 2018
Pachislot and pachinko machine manufacturers	(1) Matters related to regulations of pay-out balls/medals (2) Addition of standards for pachislot and pachinko machines with which pay-out balls/medals information can be easily checked (3) Introduction of “multi stage payout-ratio” to pachinko machines
Pachinko halls	(4) Addition of responsibilities of administrators

- ✓ **Curbing of gambling element is intended in the matters related to regulations of pay-out balls/medals.**
- ✓ **“Multi stage payout-ratio” is newly approved for pachinko machines.**

*(2) Able to play without touching balls and medals (record and pay-out electronically)

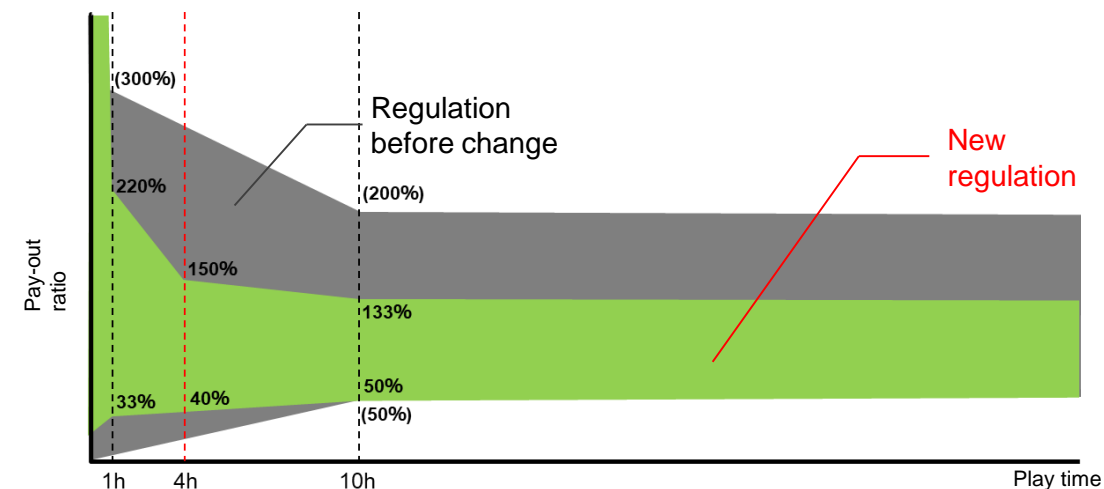
< APPENDIX : Comparisons of pay-out ratio (image) >

[Pachislot]



- ✓ Machines will be transformed to become more playable with the setting of the lower limit of pay-out probability.
- ✓ The introduction of “multi stage payout-ratio” will allow broader ways to play.

[Pachinko]



$$\text{Pay-out ratio} = \frac{\text{Balls and medals played out}}{\text{Balls and medals used}}$$

< APPENDIX : Outline of revisions to regulations >

【Pachislot】

Content	Test				Multi stage payout-ratio	Number of pay-out medals when hitting a jackpot (Upper limit)
	400G	1,600G	6,000G	17,500G		
Regulation before change	Less than 300%	—	Less than 150%	Over 55% and less than 120%	Up to 6 stages	480
New regulation	Over 33% and less than 220%	Over 40% and less than 150%	Over 50% and less than 126%	Over 60% and less than 115%	Up to 6 stages	300

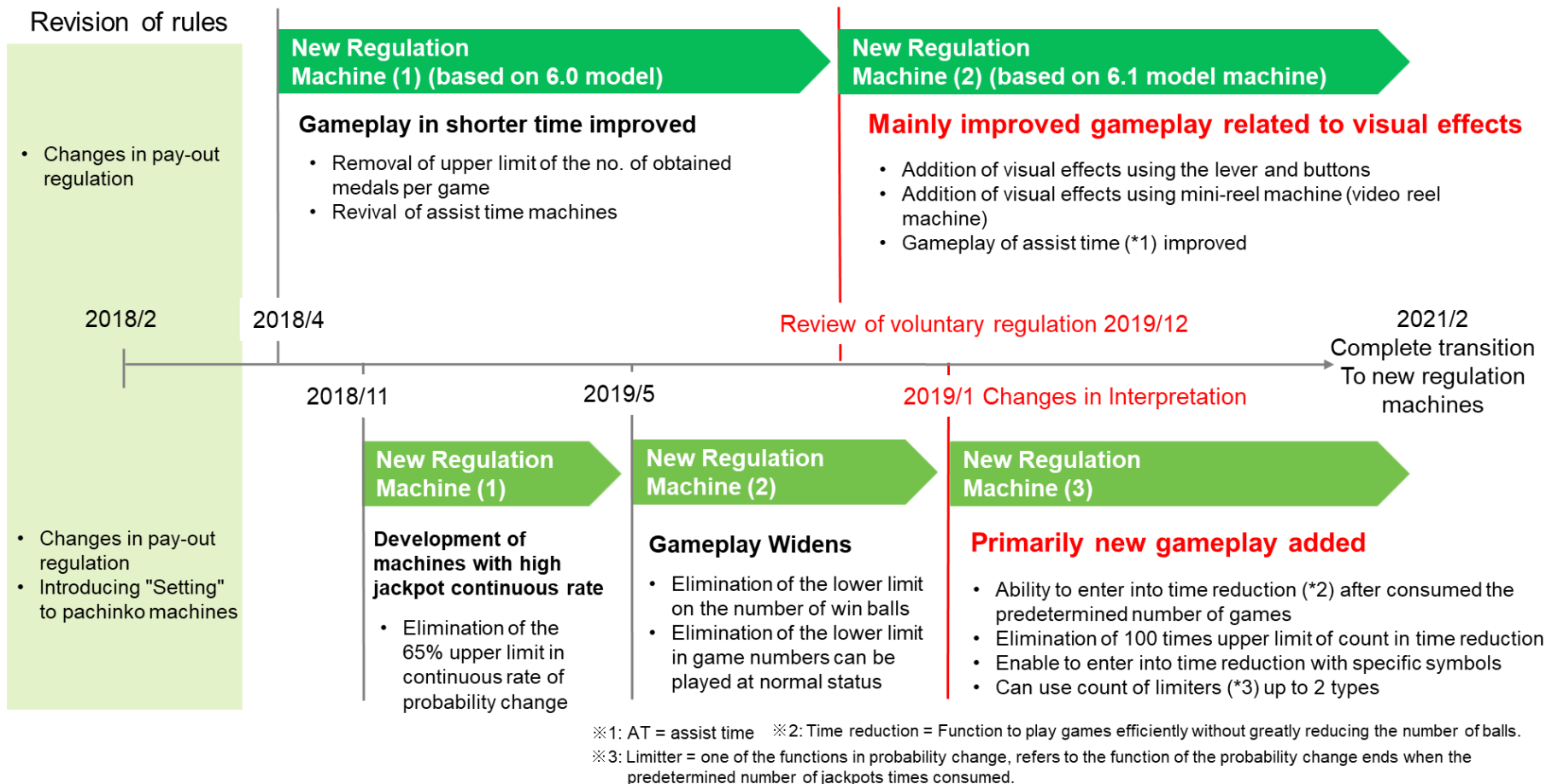
G=Games

【Pachinko】

Content	Test			Multi stage payout-ratio	Number of pay-out balls when hitting a jackpot (Upper limit)
	1 hour	4 hours	10 hours		
Regulation before change	Less than 300%	—	Over 50% and less than 200%	—	2,400
New regulation	Over 33% and less than 220%	Over 40% and less than 150%	Over 50% and less than 133%	Up to 6 stages	1,500

Pachislot

Pachinko



Schedule for transferring to new regulation machines

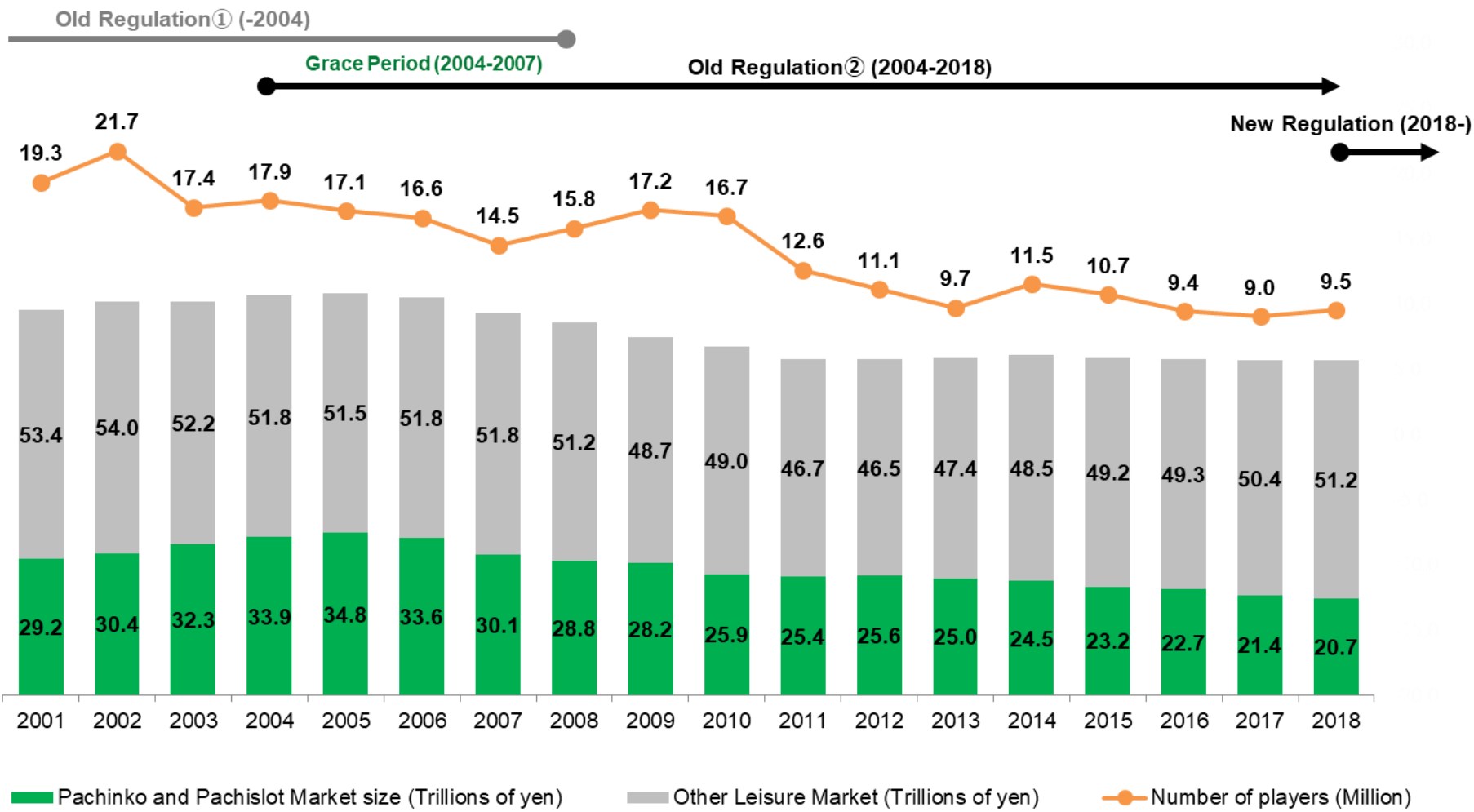
Number of previous regulation machines that are due for removal

Thousand of units
(Estimates)

	2020									2021	
	Apr	May	Jun	Yul	Aug	Sep	Oct	Nov	Dec	End Jan, 2021	After February
Pachislot No. of units to be removed	Approx. 124			Approx. 30			Approx. 289			Approx. 644	Transfer to new reg. completes
Pachinko No. of units to be removed	Approx. 21			Approx. 76			Approx. 108			Approx. 967	Transfer to new reg. completes

(Estimates of SEGA SAMMY HOLDINGS)

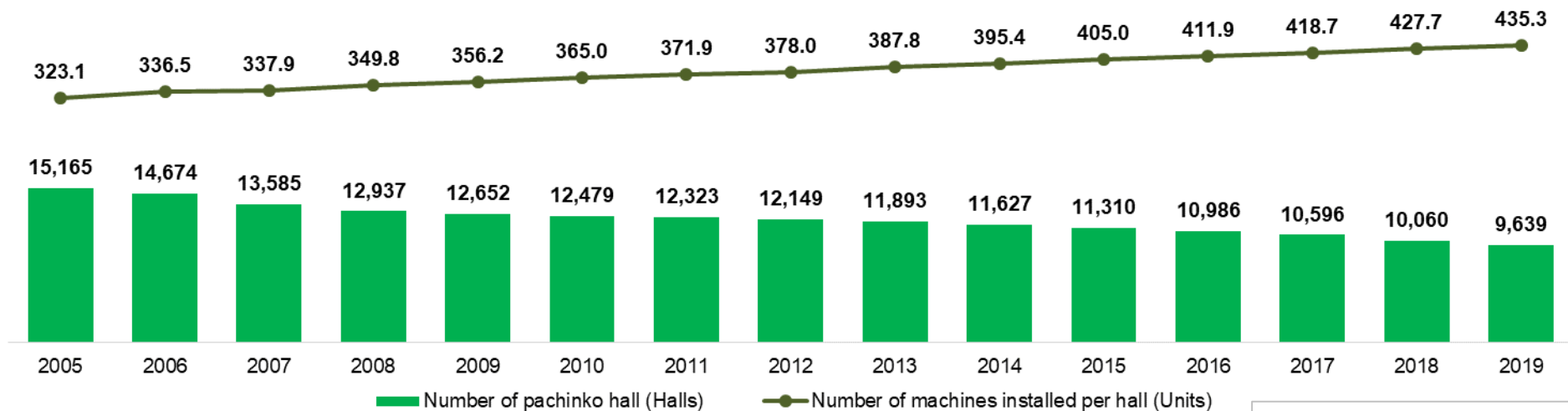
Transition of market size and number of players



Source: White Paper on Leisure Industry 2019, Japan Productivity Center

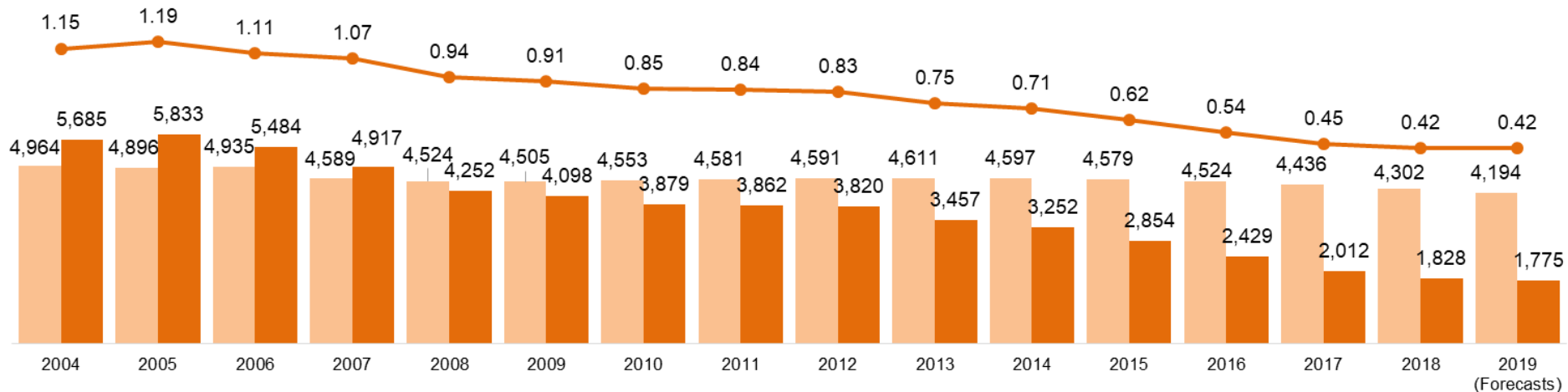
Pachinko and Pachislot Machine Markets

Transition of number of pachinko halls and number of machines installed per hall



Sources : National Police Agency

Pachislot & Pachinko machine Installations, Unit sales and Annual turnover



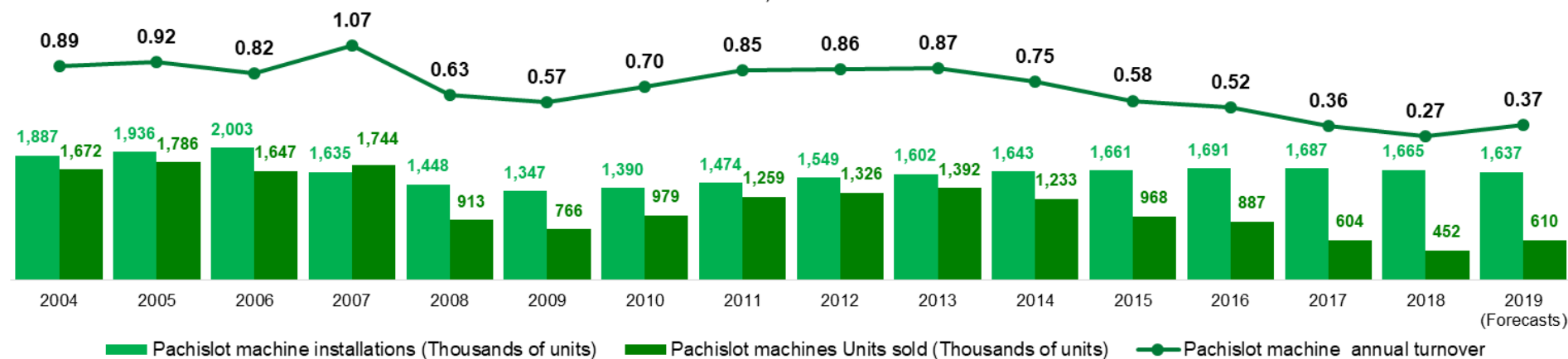
(Forecasts)

Pachislot & Pachinko machine installations (Thousands of units) Pachislot & Pachinko machines units sold (Thousands of units) Pachislot & Pachinko machine annual turnover rate

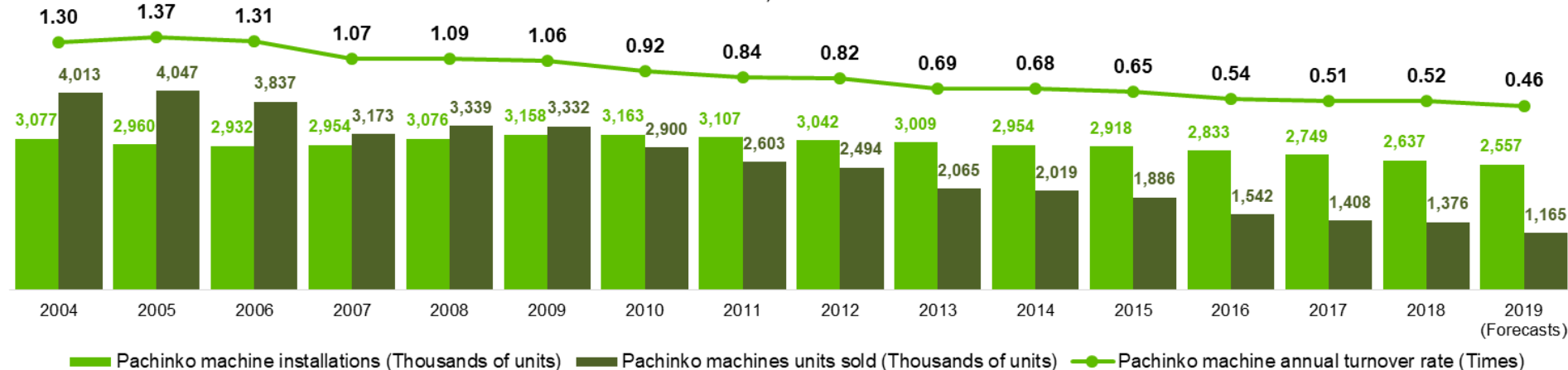
Sources: National Police Agency and Yano research Institute Ltd. (*The data for 2019 are our forecasts)

Pachinko and Pachislot Machine Markets

Pachislot machine installations, unit sales and annual turnover rate

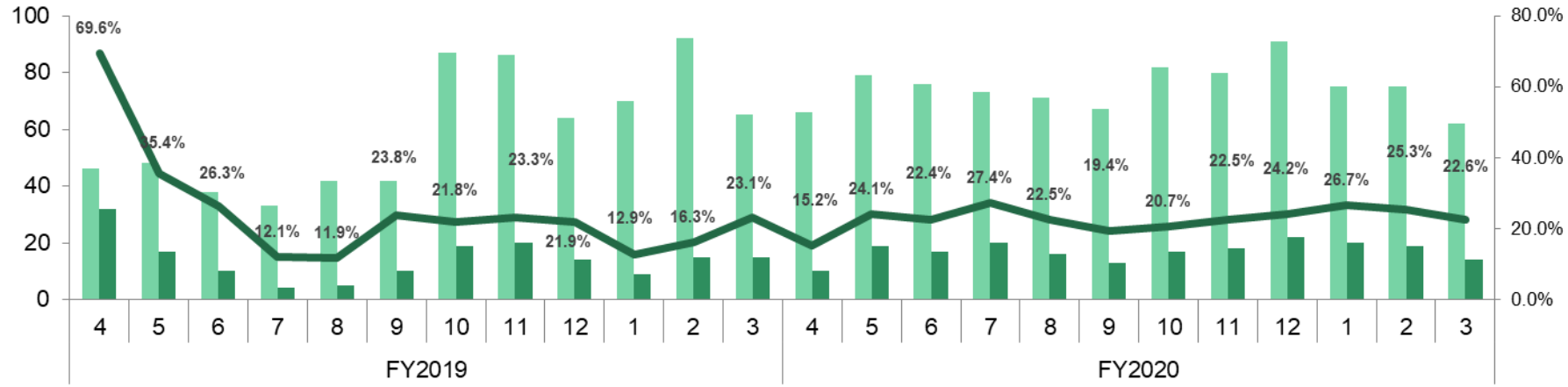


Pachinko machine installations, unit sales and annual turnover rate



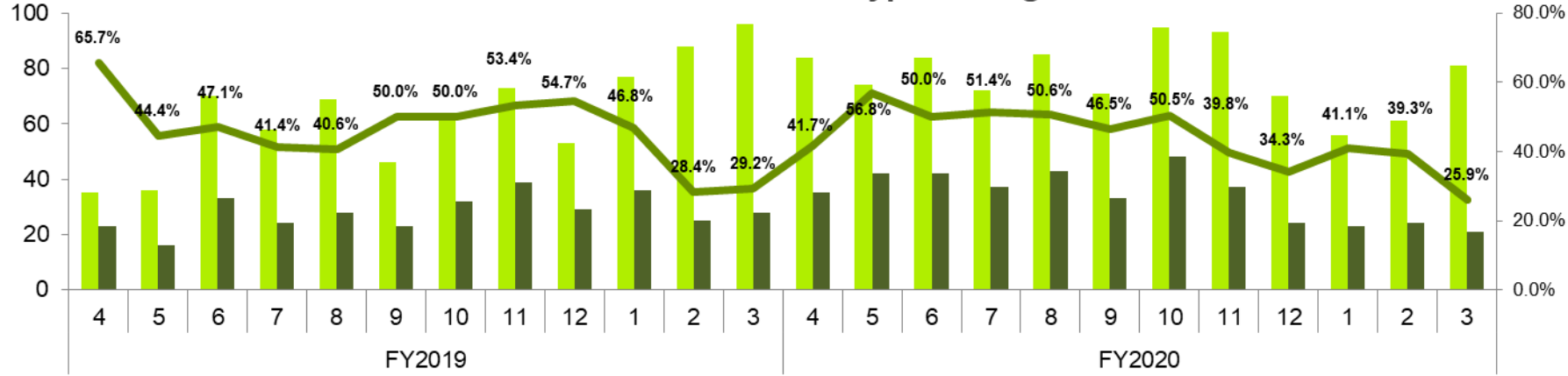
Sources: National Police Agency and Yano research Institute Ltd. (*The data for 2019 are our forecasts)

Pachislot machines: Prototype testing results



Pachislot machines: Issuance of prototype (left) Pachislot machines: Number of approval (left) Pachislot machines: Approval rate (right)

Pachinko machines: Prototype testing results



Pachinko machines: Issuance of prototype (left) Pachinko machines: Number of approval (left) Pachinko machines: Approval rate (right)

Source: Security Communications Association

Share of Annual Pachislot Machine Sales

Rank	2013			2014			2015			2016			2017			2018		
	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share
1	Sammy	301,575	21.7%	Sammy	207,828	16.8%	UNIVERSAL	165,000	17.0%	Sammy	215,736	24.3%	KITA DENSHI	107,000	17.7%	D company	80,000	17.7%
2	UNIVERSAL	215,000	15.5%	UNIVERSAL	205,000	16.6%	Sammy	142,337	14.7%	UNIVERSAL	203,000	22.9%	DAITO	100,000	16.5%	K company	68,000	15.0%
3	HEIWA/OLYMPIA	120,000	8.6%	DAITO	128,000	10.4%	HEIWA/OLYMPIA	113,997	11.8%	KITA DENSHI	90,500	10.2%	Sammy	85,041	14.1%	Sammy	67,140	14.8%
4	SANKYO	116,291	8.4%	YAMASA	108,000	8.8%	KITA DENSHI	100,000	10.3%	HEIWA/OLYMPIA	80,953	9.1%	UNIVERSAL	43,000	7.1%	H company	47,244	10.4%
5	DAITO	102,000	7.3%	HEIWA/OLYMPIA	92,763	7.5%	SANKYO	80,125	8.3%	Enterrise	57,000	6.4%	YAMASA	38,000	6.3%	U company	37,365	8.3%

Share of Annual Pachinko Machine Sales

Rank	2013			2014			2015			2016			2017			2018		
	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share
1	KYORAKU	349,000	17.0%	SANYO	330,000	16.3%	Sansei R&D	300,000	15.9%	SANYO	306,000	19.8%	SANYO	330,000	23.4%	S company	250,000	18.2%
2	SANYO	315,000	15.4%	SANKYO	329,892	16.3%	SANKYO	296,346	15.7%	Sansei R&D	209,000	13.5%	SANKYO	171,919	12.2%	S company	196,007	14.2%
3	SANKYO	291,967	14.3%	KYORAKU	308,000	15.3%	SANYO	275,000	14.6%	HEIWA/OLYMPIA	192,761	12.5%	Sammy	140,013	9.9%	K company	192,800	14.0%
4	Sammy	200,225	9.8%	HEIWA/OLYMPIA	252,103	12.5%	HEIWA/OLYMPIA	234,616	12.4%	SANKYO	172,954	11.2%	KYORAKU	140,000	9.9%	Sammy	159,848	11.6%
5	HEIWA/OLYMPIA	197,000	9.6%	Sammy	241,425	12.0%	Newgin	220,000	11.7%	Newgin	160,000	10.4%	Sansei R&D	130,000	9.2%	H company	118,880	8.6%
6	Sammy	199,014	10.5%	Sammy	138,321	9.0%												

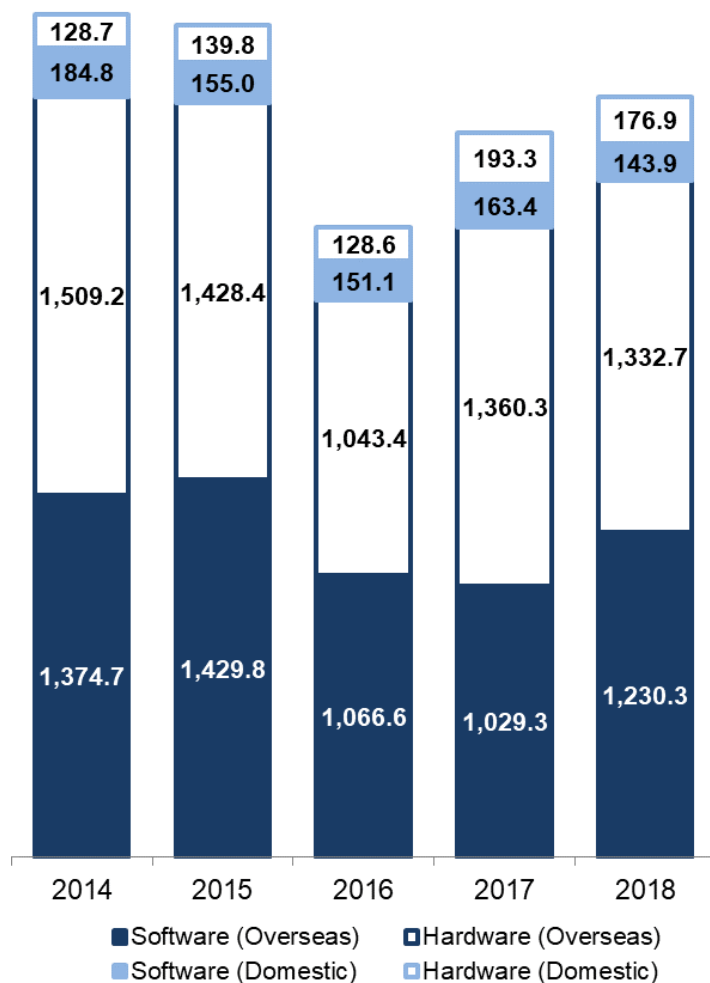
Source: Yano Research Institute Ltd.

*Estimated by Yano Research Institute Ltd. with fiscal years from July of each year through June the following year as criteria

Packaged and Digital Games Market Data

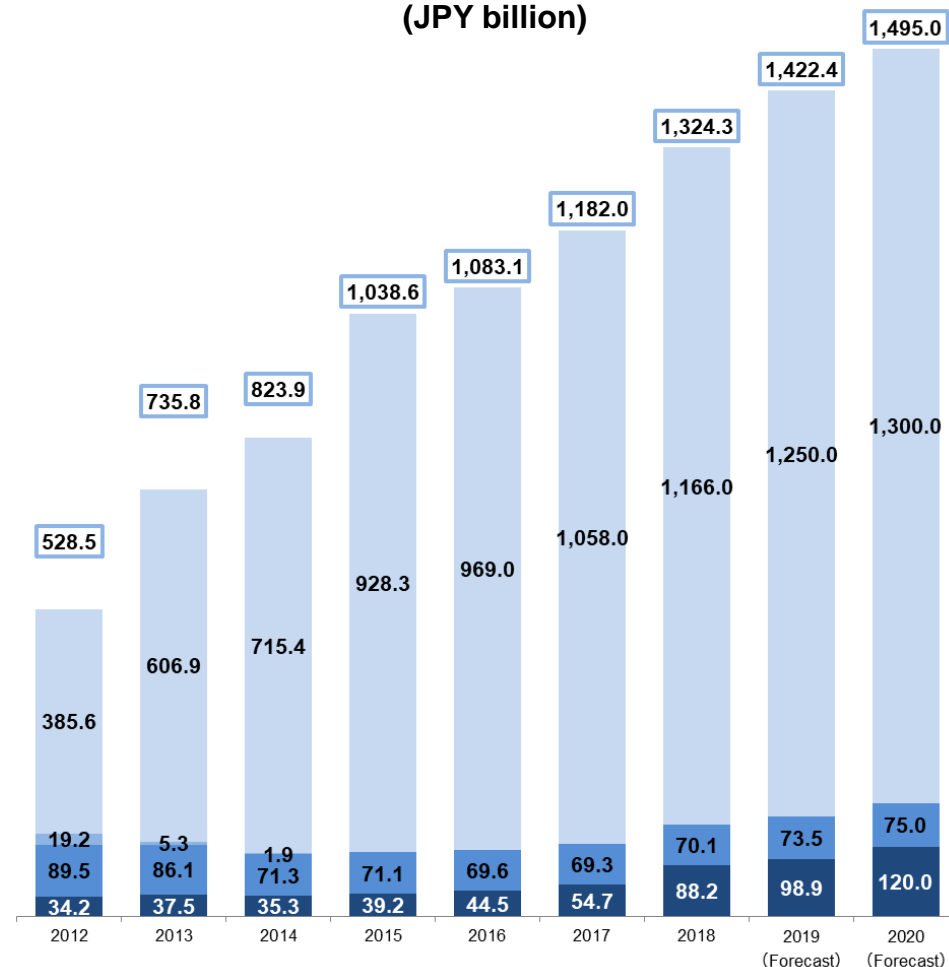
Home Video Game and Online Game Markets Scale

Home Video Games: Overall Shipment Scale
(JPY billion)



Source: CESA Games White Paper

Japan's Market for Game Content with Network Connectivity
(JPY billion)

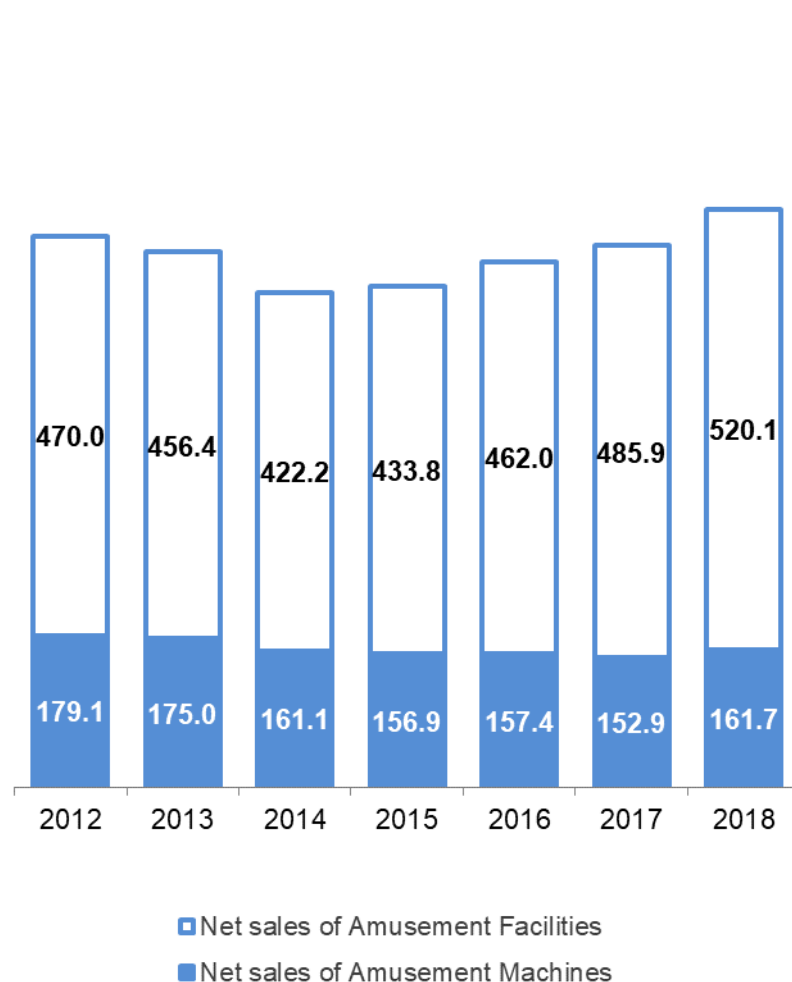


Source: f-ism

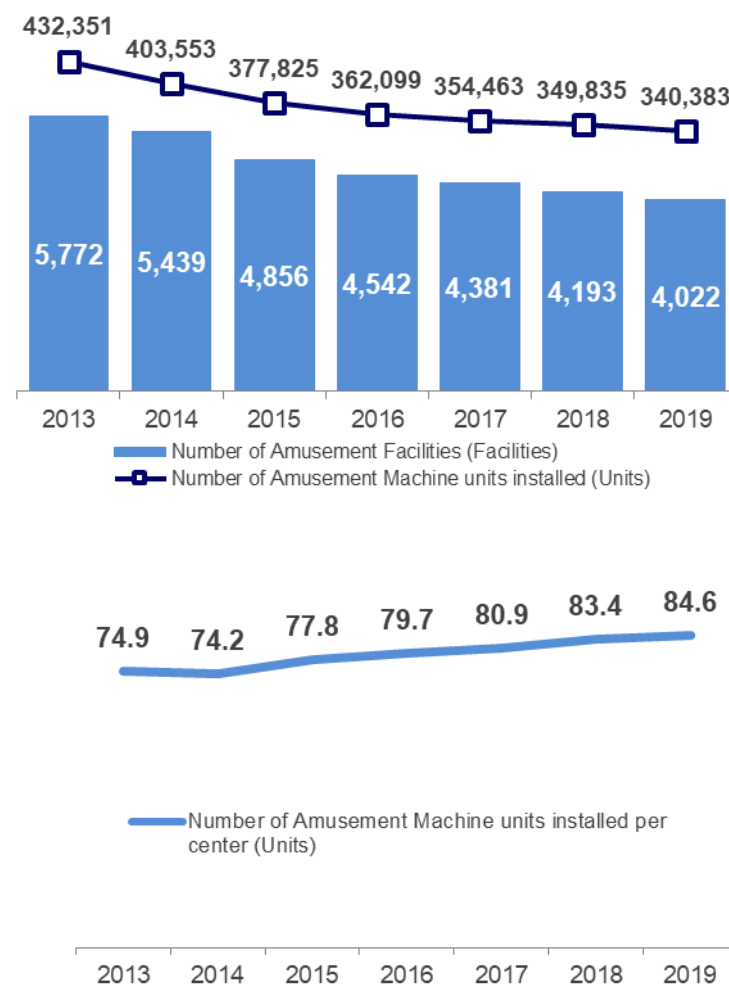
Amusement Market Data

Amusement Machine and Amusement Center Operations Markets Scale

Amusement Machine / Facilities sales (JPY billion)



Number of Amusement Facilities / Amusement Machine unit installed



Source: JAIA, National Police Agency

Past Operating Results (FY Ended March 2015~)

From FY Ended March 2015~

*The data in this page can be downloaded from following URL.
(https://www.segasammy.co.jp/english/ir/library/pdf/settlement/2020/e_202003_4q_transition.xls)

(JPY Billion)		FY Ended March 2015		FY Ended March 2016		FY Ended March 2017		FY Ended March 2018		FY Ended March 2019				FY Ended March 2020			
		Results Through 2Q	Full Year Results	Results Through 2Q	Full Year Results	Results Through 2Q	Full Year Results	Results Through 2Q	Results Through 4Q	Results Through 1Q	Results Through 2Q	Results Through 3Q	Results Through 4Q	Results Through 1Q	Results Through 2Q	Results Through 3Q	Results Through 4Q
Breakdown	Net Sales	158.1	366.8	154.3	347.9	169.5	366.9	194.7	323.6	68.8	171.0	250.3	331.6	72.7	165.5	280.8	366.5
	Pachislot and Pachinko Machines	61.1	152.1	56.6[60.9]*	132.7[141.0]*	64.9	148.2	88.3	105.6	21.5	58.6	76.1	101.4	17.1	44.1	86.2	108.3
	Entertainment Contents	90.3	199.6	90.2[85.9]*	198.8[190.5]*	97.8	205.7	101.5	208.0	45.0	107.2	166.2	219.6	53.0	115.8	186.2	247.7
	Resort	6.6	14.9	7.4	16.3	6.7	13.0	4.7	9.9	2.3	5.1	7.9	10.5	2.4	5.5	8.2	10.4
Breakdown	Operating Income	2.7	17.4	5.7	17.6	15.3	29.5	26.8	17.7	0.9	10.2	11.9	13.0	3.4	14.6	28.0	27.6
	Pachislot and Pachinko Machines	7.0	25.7	8.5[8.4]*	21.5[20.9]*	10.6	26.3	21.4	11.9	1.7	9.6	9.6	13.4	1.3	7.8	20.7	24.9
	Entertainment Contents	0.6	0.0	1.5[1.7]*	3.6[4.2]*	9.1	11.1	10.1	14.8	1.6	6.1	10.6	9.8	4.9	12.7	16.1	14.8
	Resort	-1.4	-2.3	-1.2	-1.8	-1.3	-2.2	-1.2	-2.5	-0.6	-1.1	-1.9	-2.4	-0.8	-1.5	-2.3	-3.6
	Other / Elimination	-3.5	-6.0	-3.1[-3.2]*	-5.7	-3.1	-5.7	-3.4	-6.5	-1.8	-4.4	-6.4	-7.8	-2.0	-4.4	-6.5	-8.4
	Operating Margin	1.7%	4.7%	3.7%	5.1%	9.0%	8.0%	13.8%	5.5%	1.3%	6.0%	4.8%	3.9%	4.7%	8.8%	10.0%	7.5%
Ordinary Income		2.6	16.8	5.8	16.4	15.4	28.5	25.2	14.5	0.6	9.1	9.0	7.4	2.3	12.6	25.8	25.2
Ordinary Income Margin		1.6%	4.6%	3.8%	4.7%	9.1%	7.8%	12.9%	4.5%	0.9%	5.3%	3.6%	2.2%	3.2%	7.6%	9.2%	6.9%
Profit attributable to owners of parent		-2.8	-11.3	0.9	5.3	24.2	27.6	17.7	8.9	0.3	6.7	0.6	2.6	1.7	9.8	22.9	13.7
Net Income Margin		-	-	0.6%	1.5%	14.3%	7.5%	9.1%	2.8%	0.4%	3.9%	0.2%	0.8%	2.3%	5.9%	8.2%	3.7%
ROA		-	-2.2%	-	1.0%	-	5.2%	-	1.8%	-	-	-	0.6%	-	-	-	3.0%
ROE		-	-3.4%	-	1.8%	-	9.2%	-	2.9%	-	-	-	0.9%	-	-	-	4.6%
Equity Ratio		-	60.0%	-	55.3%	-	59.0%	-	65.0%	-	-	-	65.1%	-	-	-	64.2%
Cash flows to interest bearing debt ratio		-	301.9%	-	798.8%	-	178.6%	-	334.7%	-	-	-	520.9%	-	-	-	207.2%
Interest coverage ratio		-	45.2 times	-	19.1 times	-	61.4 times	-	36.5 times	-	-	-	27.3 times	-	-	-	83.6 times
R&D expense / content production expense		28.4	67.6	24.7	58.0	31.7	67.1	30.7	62.0	14.1	30.8	48.3	66.6	17.1	33.5	57.1	76.5
Cap-ex		14.7	28.7	12.5	28.0	13.8	27.0	10.3	24.1	6.4	17.8	24.3	34.4	5.1	10.5	16.1	22.8
Depreciation		8.1	17.6	8.2	16.6	7.6	16.3	8.2	16.2	3.9	7.4	10.8	14.5	3.6	7.3	10.9	14.8
Advertising		10.0	19.1	9.3	17.9	7.6	14.8	7.8	15.4	3.3	8.4	12.2	16.0	3.6	8.5	12.9	17.4
# of pachislot titles		4 titles	6 titles	2 titles	7 titles	3 titles	10 titles	8 titles	9 titles	1 title	1 title	3 titles	6 titles	0 title	1 title	3 titles	5 titles
Unit sales		93,045 units	207,830 units	70,260 units	142,337 units	81,895 units	215,736 units	75,380 units	85,041 units	9,073 units	12,853 units	31,534 units	67,140 units	17,930 units	28,360 units	105,860 units	123,336 units
# of pachinko titles		5 titles	10 titles	6 titles	8 titles	3 titles	9 titles	4 titles	5 titles	1 title	3 titles	5 titles	7 titles	2 title	4 titles	5 titles	7 titles
Unit sales		82,955 units	241,425 units	79,604 units	199,014 units	75,542 units	138,321 units	119,312 units	140,013 units	40,997 units	117,891 units	136,670 units	159,848 units	16,212 units	66,140 units	75,094 units	104,581 units
YoY sales comparison of existing amusement centers		98.7%	100.1%	102.2%	103.1%	110.8%	108.5%	101.5%	101.9%	104.2%	104.5%	104.2%	104.0%	109.0%	103.6%	100.7%	97.7%
No. of domestic amusement centers		198 facilities	198 facilities	198 facilities	194 facilities	189 facilities	191 facilities	189 facilities	189 facilities	189 facilities	189 facilities	191 facilities	190 facilities	191 facilities	192 facilities	195 facilities	192 facilities
# of game software titles		6 titles	30 titles	12 titles	29 titles	21 titles	42 titles	16 titles	38 titles	5 titles	18 titles	26 titles	31 titles	8 titles	12 titles	22 titles	31 titles
Sales (Thousand units)		4,100	12,280	3,280	9,220	4,650	10,280	8,650	17,330	5,700	11,180	18,510	23,440	6,240	11,370	19,330	26,760

*Sales of new segment is changed to gross basis.

*Basis for recording net sales was changed from shipment to delivery starting in FY ended March 2016.

*In line with the change of accounting policy, contents of retroactive processing have been reflected on new segments since FY ended March 2015.

*Part of Entertainment Contents Business has been transferred to Pachislot and Pachinko Machines Business since for FY ended March 2017.

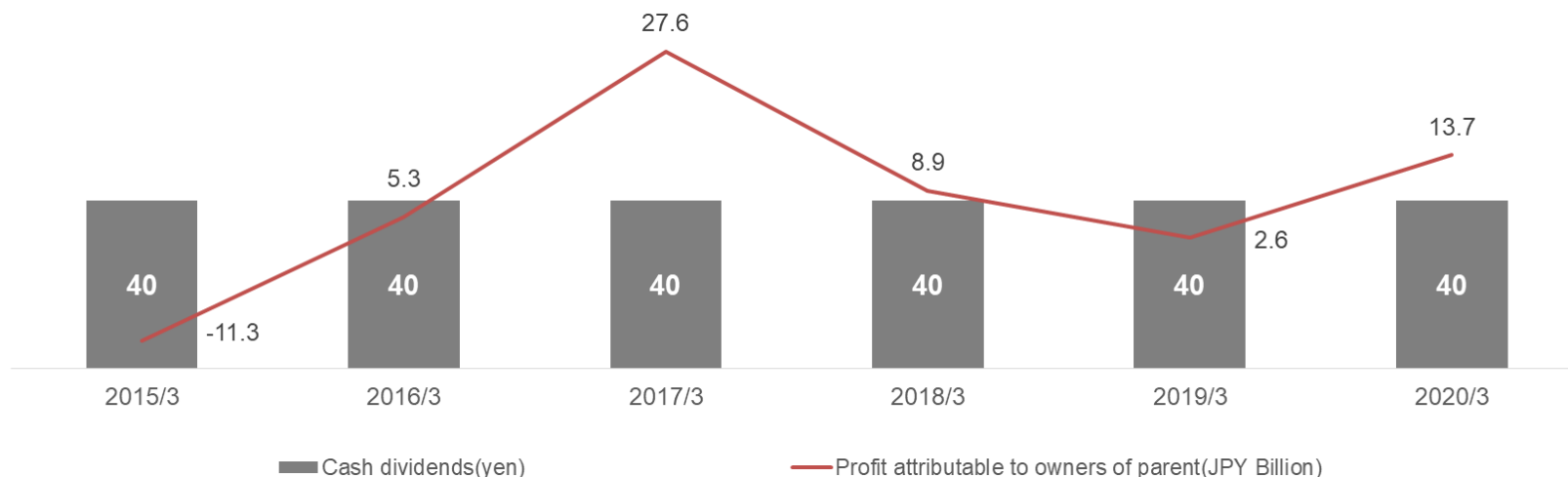
*Numbers shown in parentheses for FY 2016 results are retroactively adjusted values of estimates after changing the breakdown.

*Added the number of titles in Asia from FY March 2017

Shareholder Returns

Dividend Policy

Continue to pay an annual dividend of ¥40



Introduction of Shareholder Benefits

We introduced shareholders benefit program to encourage shareholders to experience our services and hold our shares over the mid to long term. From March 31, 2020, we have expanded the contents of the program and also introduced the option for donation to social contribution activities.

Number of owned shares	Shareholder benefit contents (annual)	
	Less than 2 consecutive years	More than 2 consecutive years (New)
More than 100 shares Less than 1,000 shares	i) 2,000 yen worth	
More than 1,000 shares Less than 3,000 shares	i) 2,000 yen worth ii) 20,000 yen worth	
More than 3,000 shares Less than 5,000 shares	i) 2,000 yen worth ii) 40,000 yen worth	i) 2,000 yen worth ii) 40,000 yen worth iii) 1 ticket (To be gifted on December)
More than 5,000 shares Less than 20,000 shares	i) 2,000 yen worth ii) 40,000 yen worth iii) 2 tickets iv) 2 tickets	i) 2,000 yen worth ii) 40,000 yen worth iv) 2 tickets v) 2 tickets
20,000 shares or more (New)	i) 2,000 yen worth ii) 40,000 yen worth iv) 2 tickets vi) 2 tickets	

- Voucher for either UFO Catcher, redeemable at SEGA game centers in Japan or redeemable at SEGA Catcher Online
- Facility use ticket, redeemable at Phoenix Seagaia Resort (Miyazaki Prefecture)
- Free accommodation ticket (1 room, maximum 2 adults) usable at Sheraton Grande Ocean Resort in Phoenix Seagaia Resort
- Free accommodation ticket (1 room, maximum 2 adults) usable at Paradise Hotel & Resort in Paradise City (Incheon, Korea)
- Free accommodation ticket (1 room, maximum 2 adults) usable at premium category "Club Floor" of Sheraton Grande Ocean Resort in Phoenix Seagaia Resort
- Free accommodation ticket (1 room, maximum 2 adults) usable at premium category suite room of Sheraton Grande Ocean Resort in Phoenix Seagaia Resort

*Please see the [official website of SEGA SAMMY HOLDINGS](#) for the details about shareholder benefits program

Company Profile

Company Profile

(As of March 31, 2020)

Company Name	SEGA SAMMY HOLDINGS INC.
Address	Sumitomo Fudosan Osaki Garden Tower, 1-1-1 Nishi-Shinagawa, Shinagawa-ku, Tokyo
Established	October 1, 2004
Capital	¥29.9 billion
Number of Employees	8,798 (Consolidated)
Stock Exchange	Tokyo Stock Exchange (Stock Code : 6460)

Managements

Chairman and Group CEO (Representative Director)	Hajime Satomi
President and Group COO (Representative Director)	Haruki Satomi
Senior Executive Vice President (Director of the Board)	Naoya Tsurumi
Executive Vice President and Group CFO (Director of the Board)	Koichi Fukazawa
Executive Vice President (Director of the Board)	Hideki Okamura
Senior Vice President (Director of the Board)	Hideo Yoshizawa
Director of the Board (External)	Takeshi Natsuno
Director of the Board (External)	Kohei Katsukawa
Director of the Board (External)	Hiroshi Onishi
Director of the Board (External)	Melanie Brock
Standing Audit & Supervisory Board Member	Shigeru Aoki
Audit & Supervisory Board Member	Yukito Sakaue
Audit & Supervisory Board Member (External)	Mineo Enomoto
Audit & Supervisory Board Member (External)	Kazutaka Okubo

Information on Outstanding Shares

(As of March 31, 2020)

Number of shares authorized for issuance	800,000,000 shares
Total number of shares issued and outstanding	266,229,476 shares
Number of Shareholders	72,584

■Principal Shareholders

Name of Shareholder	Shares Held	Shareholding Ratio (%)
HS Company	35,308,000	13.26
SEGA SAMMY HOLDINGS INC.	31,138,238	11.69
The Master Trust Bank of Japan, Ltd. (Trust account)	16,252,100	6.10
FSC Co., Ltd.	13,622,840	5.11
Japan Trustee Services Bank, Ltd. (Trust account)	10,185,700	3.82

■Distribution of Shareholders

Financial Institutions	18.06%
Securities Companies	1.64%
Other Companies	21.06%
Foreign Institutions and Individuals	27.32%
Japanese Individuals and Other	20.22%
Treasury Stock	11.70%

*Including the number of share less than 1 unit



<https://www.segasammy.co.jp/english/ir/>

Please visit below websites for products and service information.

<https://www.segasammy.co.jp/english/pr/corp/group/list.html>

(SegaSammy Group Website list)

*** Company / product names in this document are trademarks or registered trademarks of the respective companies.**

Cautionary Statement for Investors and Shareholders with Respect to Nevada Gaming Statutes and Regulations

SEGA SAMMY HOLDINGS INC. ("the Company") is registered with the Nevada Commission as a publicly traded corporation and has been found suitable to directly or indirectly own the stock of SEGA SAMMY CREATION INC., and Sega Sammy Creation USA, Inc., both of which are subsidiaries that have been licensed as manufacturers and distributors of gaming devices in Nevada. Pursuant to Nevada law, the Company's shareholders are subject to the rules and regulations of the Nevada Gaming Authorities. A detailed explanation of Nevada gaming statutes and regulations can be found on the Company's corporate website:

<https://www.segasammy.co.jp/english/ir/stock/regulation/>